



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
ROBERTSON COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1999

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Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable Bradley Gifford, Robertson County Judge/Executive

Honorable Wayne Buckler, Former Robertson County Judge/Executive

Members of the Robertson County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Robertson County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Robertson County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Robertson County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Robertson County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1999, in conformity with the cash basis of accounting described above.

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Mike Haydon, Secretary, Revenue Cabinet
Honorable Bradley Gifford, Robertson County Judge/Executive
Honorable Wayne Buckler, Former Robertson County Judge/Executive
Members of the Robertson County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Robertson County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Based on the results of our audit, we present the accompanying comments and recommendations, included herein, which discusses the following areas of noncompliance:

- The Fiscal Court Should Adopt an Administrative Code In The Proper Form
- Budget Amendments Should Be Utilized
- The County Treasurer Should Receive And Deposit All Moneys Collected By The County
- Transfers Of Restricted Funds Should Be Limited To The Amount Approved By The Department For Local Government

In accordance with Government Auditing Standards, we have also issued our report dated November 22, 1999, on our consideration of Robertson County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
November 22, 1999

ROBERTSON COUNTY OFFICIALS

Fiscal Year Ended June 30, 1999

Bradley Gifford	County Judge/Executive
John D. Sims	County Attorney
Stephanie Hendricks	County Clerk
Judy Walters	Circuit Court Clerk
Randy Insko	Sheriff
Dee Whitaker	Jailer
Karen Curtis	Property Valuation Administrator
Janet England	County Treasurer
Cindy King	Coroner
Terry Norris	Magistrate
Ralph Moore	Magistrate
Mark Sutton	Magistrate
Diana Poe	Magistrate
David Conley	Magistrate

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

ROBERTSON COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets

General Fund:	
Cash	\$ 206,311
Road and Bridge Fund:	
Cash	866,688
Due From General Fund	35,000
Jail Fund:	
Cash	1,864
Payroll Revolving Account - Cash	<u>2,860</u>
Total Assets	<u><u>\$ 1,112,723</u></u>

Liabilities and Fund Balances

Liabilities

General Fund:	
Due to Road and Bridge Fund	\$ 35,000
Payroll Revolving Account	2,860

Fund Balances

Unreserved:	
General Fund	171,311
Road and Bridge Fund	901,688
Jail Fund	<u>1,864</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,112,723</u></u>

The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

ROBERTSON COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

<u>Cash Receipts</u>	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Schedule of Operating Revenue	\$ 1,108,223	\$ 168,672	\$ 710,349	\$ 29,202
Transfers In	148,022	126,950		20,500
Total Cash Receipts	<u>\$ 1,256,245</u>	<u>\$ 295,622</u>	<u>\$ 710,349</u>	<u>\$ 49,702</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 706,564	\$ 273,379	\$ 384,217	\$ 48,396
Schedule of Unbudgeted Expenditures	200,000			
Transfers Out	148,022	21,072	126,950	
Total Cash Disbursements	<u>\$ 1,054,586</u>	<u>\$ 294,451</u>	<u>\$ 511,167</u>	<u>\$ 48,396</u>
Excess of Cash Receipts Over Cash Disbursements	\$ 201,659	\$ 1,171	\$ 199,182	\$ 1,306
Cash Balance-July 1, 1998	<u>873,204</u>	<u>205,140</u>	<u>667,506</u>	<u>558</u>
Cash Balance-June 30, 1999	<u>\$ 1,074,863</u>	<u>\$ 206,311</u>	<u>\$ 866,688</u>	<u>\$ 1,864</u>

The accompanying notes are an integral part of the financial statements.

ROBERTSON COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 Fiscal Year Ended June 30, 1999
 (Continued)

Waterline Extension Fund	Forest Fire Protection Fund
\$ 200,000	\$ 0
	572
\$ 200,000	\$ 572
\$ 0	\$ 572
200,000	
\$ 200,000	\$ 572
\$ 0	\$ 0
\$ 0	\$ 0

ROBERTSON COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Robertson County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, there are no component units which merit consideration as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Robertson County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1, 2000.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

ROBERTSON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system, which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.22 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits and Investments

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480 (1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 1999, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bonds which named the county as beneficiary/obligee on the bonds.

ROBERTSON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 4. Insurance

For the fiscal year ended June 30, 1999, Robertson County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

ROBERTSON COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 114,595	\$ 168,672	\$ 54,077
Road and Bridge Fund	676,835	710,349	33,514
Jail Fund	25,770	29,202	3,432
Total	<u>\$ 817,200</u>	<u>\$ 908,223</u>	<u>\$ 91,023</u>
Reconciliation			
Total Budgeted Operating Revenue Above			\$ 817,200
Add: Budgeted Prior Year Surplus			<u>700,000</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures			<u>\$ 1,517,200</u>

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SCHEDULE OF OPERATING REVENUE

ROBERTSON COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Revenue From Local Taxes <u>and Excess Fees</u>				
Sheriff:				
Taxes	\$ 57,393	\$ 57,393	\$	\$
County Clerk:				
Deed Transfer Tax	1,874	1,874		
Tangible Personal Property Taxes:				
Other Counties	1,142	1,142		
County Clerk	9,307	9,307		
Delinquent Taxes-State Treasurer	251	251		
Totals	<u>\$ 69,967</u>	<u>\$ 69,967</u>	<u>\$ 0</u>	<u>\$ 0</u>

Federal Receipts-State Treasurer

Disaster and Emergency Assistance				
Grants-Coordinator Salary	\$ 700	\$ 700	\$	\$
Disaster and Emergency Assistance				
Grant-1997 Flood Relief	199,079		199,079	
Housing and Urban Development-				
Disaster Recovery	43,349		43,349	
Disaster and Emergency Assistance				
Grant-1999 Snow Removal	750		750	
Totals	<u>\$ 243,878</u>	<u>\$ 700</u>	<u>\$ 243,178</u>	<u>\$ 0</u>

Kentucky State Treasurer

Jail:				
Allotments	\$ 24,000	\$	\$	\$ 24,000
Medical Allotments	1,170			1,170
Catastrophic Medical	2,980			2,980
Driving Under The Influence Fees	187			187
County Road Aid	258,954		258,954	
Truck License Distribution	161,449		161,449	
Election Expense Reimbursement	3,285	3,285		

ROBERTSON COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

Waterline
Extension
Fund _____

\$

\$ 0

\$

\$ 0

\$

ROBERTSON COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u>				
(Continued)				
Courthouse Rental-Administrative				
Office of the Courts	\$ 22,757	\$ 22,757	\$	\$
Refunds:				
Drivers Licenses	219		219	
Dog Licenses	36	36		
Board of Assessments	200	200		
Grants:				
House Bill 321	50,000	50,000		
House Bill 321	200,000			
Totals	\$ 725,237	\$ 76,278	\$ 420,622	\$ 28,337
<u>Miscellaneous Revenue</u>				
Interest	\$ 42,627	\$ 13,287	\$ 29,340	\$
Circuit Court Clerk:				
Jail Cost	545			545
Work Release	158			158
Work Release-Other Counties	162			162
Leases and Rentals	4,800	4,800		
Dog Tag Sales	71	71		
Surplus Machinery/Equipment Sales	1,356		1,356	
Miscellaneous Items	19,422	3,569	15,853	
Totals	\$ 69,141	\$ 21,727	\$ 46,549	\$ 865
Total Operating Revenue	\$ 1,108,223	\$ 168,672	\$ 710,349	\$ 29,202

ROBERTSON COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

Waterline
Extension
Fund _____

\$

200,000

\$ 200,000

\$

\$ 0

\$ 200,000
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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

ROBERTSON COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 38,388	\$ 38,388	\$
Finance Officer	10,210	9,854	356
Office Materials and Supplies	1,500	1,243	257
Bond Premium	81	81	
Office of County Attorney:			
County Attorney Salary	2,651	2,651	
Office Materials and Supplies	520	520	
Office of County Clerk:			
Salaries-			
County Clerk	31,501	12,883	18,618
Part-Time Assistant	5,076	4,991	85
Office Materials and Supplies	4,500	3,628	872
Tax Bill Preparation	500	183	317
Bond Premium	275	267	8
Recording Fees	150		150
Office of Sheriff:			
Salaries-			
Sheriff	19,551	12,277	7,274
Part-Time Assistant	4,753	4,614	139
Road Patrol/TAP	11,950	11,360	590
Materials and Supplies	1,000	914	86
Bond Premium	380	373	7
Office of County Coroner:			
County Coroner Salary	3,600	3,600	
Miscellaneous Expenses	250	72	178

ROBERTSON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Fiscal Court:			
Magistrates Salaries	\$ 7,594	\$ 7,594	\$
Office Materials and Supplies	1,000		1,000
Fiscal Court Clerk Salary	662	662	
Office of Property Valuation Administrator:			
Statutory Contribution	2,249	2,227	22
Advertising	200	187	13
Telephone	737	720	17
Travel	300	285	15
Office of Board of Assessment Appeals:			
Per Diem	400	400	
Office of County Treasurer:			
County Treasurer Salary	3,647	3,647	
Office Materials and Supplies	300		300
Bond Premium	400	284	116
County Law Library:			
Law Librarian Salary	600		600
Elections:			
Per Diem-			
Election Commissioners	2,000	2,000	
Election Officers	4,500	2,800	1,700
Printing and Advertising	7,635	7,519	116
Poll Rentals	300	256	44
Materials and Supplies	1,200	1,187	13
Courthouse:			
Custodian Salary	4,305	4,305	
Materials and Supplies	2,000	1,464	536
Pest Control	804	804	

ROBERTSON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Courthouse: (Continued)			
Renewals and Repairs	\$ 1,000	\$ 251	\$ 749
Telephone	5,063	4,322	741
Utilities-			
Water	1,500	713	787
Electric	5,000	4,299	701
Natural Gas	3,500	3,117	383
<u>Protection to Persons and Property</u>			
County Fire Department:			
Contribution	1,500	50,009	(48,509)
Life Squad	3,000	3,000	
Disaster and Emergency Services:			
Director Salary	2,600	2,600	
Office of Public Defender:			
Contribution	309	266	43
<u>General Health and Sanitation</u>			
Dog Control:			
Dog Warden Salary	2,205	2,205	
Dog Food and Supplies	200	27	173
Tag Fees	100	74	26
<u>Social Services</u>			
Service to Indigents:			
Pauper Burials	500		500
Senior Citizens Program:			
Contribution	500	265	235

ROBERTSON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Administration</u>			
General Services:			
Legal Advertisement	\$ 1,700	\$ 1,094	\$ 606
Audit Services	6,765	5,441	1,324
Membership Dues-			
KACO	800	800	
ADD	1,400	1,392	8
Insurance-			
Liability	4,500	4,500	
Building and Contents	3,400	3,359	41
KALF Assessment	6,706		6,706
Miscellaneous	1,000	482	518
Contingent Appropriations:			
Reserve for Transfers	89,058		89,058
Fringe Benefits:			
County Contributions-			
Social Security	13,700	11,955	1,745
Retirement	13,400	13,028	372
Health Insurance	14,000	13,670	330
Worker's Compensation	2,270	2,270	
Unemployment Insurance	600		600
Total General Fund	<u>\$ 363,945</u>	<u>\$ 273,379</u>	<u>\$ 90,566</u>

ROAD AND BRIDGE FUND

Roads

Office of Road Supervisor:			
Road Supervisor Salary	\$ 26,863	\$ 26,858	\$ 5
Office Materials and Supplies	500	364	136
Miscellaneous	100		100

ROBERTSON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u> (Continued)			
Road Maintenance:			
Salaries-			
Road Labor-Full-time	\$ 59,594	\$ 59,564	\$ 30
Road Labor-Part-time	28,942	12,421	16,521
Asphalt	100,000	957	99,043
Crushed Stone and Gravel	50,000	21,439	28,561
Petroleum Products	60,000	23,380	36,620
General Construction Materials	50,000	37,867	12,133
Machinery and Equipment-			
New Equipment	25,000	1,666	23,334
Maintenance/Parts	20,000	4,369	15,631
Pest Control	275	264	11
Telephone	525	519	6
Utilities-			
Water	270	244	26
Electric	750	495	255
Natural Gas	1,500	773	727
<u>Capital Projects</u>			
Heiatt Bottom Road Project	350,000	115,707	234,293
<u>Administration</u>			
Insurance-			
Building and Contents	750	750	
Liability	21,500	21,441	59
Vehicles	4,500	4,500	
Advertisements	250	122	128
Audit Services	5,000	4,403	597
CDL and Drug Testing	5,000	445	4,555
Miscellaneous	1,000	974	26
Fiscal Court:			
Magistrates-			
Expense Allowance	18,000	18,000	
Contingent Appropriations:			
Reserve for Budget Transfers	224,429		224,429

ROBERTSON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Fringe Benefits:			
County Contributions-			
Social Security	\$ 7,189	\$ 6,995	\$ 194
Retirement	7,945	7,235	710
Health Insurance	4,791	4,753	38
Worker's Compensation	7,712	7,712	
Unemployment Insurance	2,500		2,500
Total Road and Bridge Fund	<u>\$ 1,084,885</u>	<u>\$ 384,217</u>	<u>\$ 700,668</u>

JAIL FUND

Protection to Persons and Property

Office of Jailer:

Personnel Services-

Salaries-

Jailer	\$ 16,000	\$ 16,000	\$
Deputy Jailer	525	431	94
Transportation Officer	331	315	16

Operations-

Housing Prisoners-Other Counties	26,555	14,344	12,211
Housing Juveniles-Other Counties	2,000	200	1,800
Office Supplies	200	32	168
Pest Control	260	260	
Building Repairs	500	240	260
Routine Medical	11,700	11,297	403
Staff Training	250		250
Staff Travel	1,000	510	490
Telephone	500	436	64
Utilities	500	467	33
Insurance-			
Building and Contents	500		500
Bond	100	81	19

ROBERTSON COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND (Continued)</u>			
<u>Administration</u>			
Contingent Appropriations:			
Reserve for Budget Transfers	\$ 776	\$	\$ 776
Fringe Benefits:			
County Contributions-			
Social Security	1,730	1,099	631
Retirement	1,620	1,494	126
Health Insurance	2,723	1,190	1,533
Total Jail Fund	<u>\$ 67,770</u>	<u>\$ 48,396</u>	<u>\$ 19,374</u>
<u>FOREST FIRE PROTECTION FUND</u>			
Forest Fire Suppression	<u>\$ 600</u>	<u>\$ 572</u>	<u>\$ 28</u>
TOTAL BUDGET - ALL FUNDS	<u><u>\$ 1,517,200</u></u>	<u><u>\$ 706,564</u></u>	<u><u>\$ 810,636</u></u>

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SCHEDULE OF UNBUDGETED EXPENDITURES

ROBERTSON COUNTY
SCHEDULE OF UNBUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

<u>Expenditure Items</u>	<u>Waterline Extension Fund</u>
Buffalo Trail Water Association- Waterline Extension Project	<u>\$ 200,000</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr. Auditor of Public Accounts

Honorable Bradley Gifford, Robertson County Judge/Executive
Honorable Wayne Buckler, Former Robertson County Judge/Executive
Members of the Robertson County Fiscal Court

Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Robertson County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated November 22, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Robertson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying comments and recommendations.

- Budget Amendments Should Be Utilized
- The County Treasurer Should Receive And Deposit All Moneys Collected By The County

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Robertson County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Bradley Gifford, Robertson County Judge/Executive
Honorable Wayne Buckler, Former Robertson County Judge/Executive
Members of the Robertson County Fiscal Court
Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
November 22, 1999

COMMENTS AND RECOMMENDATIONS

ROBERTSON COUNTY
COMMENTS AND RECOMMENDATIONS

Fiscal Year Ended June 30, 1999

STATE LAWS AND REGULATIONS

PRIOR YEAR

The county has not adopted an administrative code. This finding has not been corrected and is included as a current year comment.

CURRENT YEAR

The Fiscal Court Should Adopt An Administrative Code In The Proper Form

The fiscal court has not adopted an administrative code in the proper form as required by KRS 68.005. It should include, but not be limited to, the procedures and designation of responsibility for:

- a) General administration of the office of County Judge/Executive, county administrative agencies, and public agencies;
- b) Administration of county fiscal affairs, including budget formulation, receipt and disbursement of county funds and preparation of records required for the county audit, and filing of claims against the county;
- c) Personnel administration, including description and classification of nonelected positions, selection, assignment, supervision and discipline of employees, employee complaints, and the county affirmative action program;
- d) County purchasing and awarding of contracts; and
- e) Delivery of county services.

We recommend that the fiscal court adopt an administrative code in the proper form.

Management's Response:

Efforts will be made to adopt this code before the end of the current fiscal year.

Budget Amendments Should Be Utilized

The county received and expended grant funds from the Commonwealth of Kentucky during the fiscal year ended June 30, 1999. Waterline Extension Fund expenditures of \$200,000 were not budgeted in accordance with KRS 68.240. KRS 68.280 provides for amendment of the county's annual budget for the "expenditure of receipts unanticipated in the original budget". We recommend the county utilize budget amendments and that all expenditures of the county be properly budgeted as required by KRS 68.240.

Management's Response:

This was an oversight due to a change in administration. In the future, efforts will be made to monitor and prevent this situation from occurring in the future.

ROBERTSON COUNTY
COMMENTS AND RECOMMENDATIONS
Fiscal Year Ended June 30, 1999
(Continued)

The County Treasurer Should Receive And Deposit All Moneys Collected By The County

Fee payments of \$39,958 from the County Clerk and Sheriff were not properly reflected in the county's receipts ledger. These fee payments were received by the county and deposited directly into the county's payroll revolving fund. KRS 68.020 states, "The County Treasurer should receive and receipt all money", this statute additionally states, "The County Treasurer should keep an accurate detailed account of all money received and disbursed for the county." We recommend the payments from the county's fee officials be received and receipted in accordance with KRS 68.020.

Management's Response:

Beginning July 1, 1999, all fees from the County Clerk and Sheriff are being deposited in the General Fund and coded as fee pooling receipts.

Transfers Of Restricted Funds Should Be Limited To The Amount Approved By The Department For Local Government

Transfers from the Road and Bridge Fund to the General Fund during fiscal year ended June 30, 1999 totaled \$126,950. The Department of Local Government (DLG) approved transfers in the amount of \$91,950 as part of the county's annual budget. The transfers to the General Fund were therefore in excess of the approved amount by \$35,000. We recommend the fiscal court return \$35,000 to the Road and Bridge Fund and in the future limit transfers of restricted monies to the amount approved by DLG.

Management's Response:

The excess of \$35,000 was repaid to the Road and Bridge Fund on July 23, 1999.

